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Rural Lines

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE





A Message from the ADMINISTRATOR

During the last few months, according to our estimates, REA electric borrowers surpassed the billion dollar mark in the amount of electric energy they have purchased from commercial power suppliers.

The pace in growth of sales to REA borrowers has far outdistanced that of other groups of power distributors. From 1950 to 1961 inclusive, kwh sales to them by Class A and B companies increased 190 percent, while sales to other retailers went up 132 percent.

Rural electric cooperatives bought, in round figures, 4 billion kwh in 1950 (valued at \$37 million) and 13 billion kwh in 1962 (valued at \$99 million). Fiscal 1962 purchases represented a 6.8 percent boost over the figure for the previous year.

Despite this tremendous increase in kwh purchased, the average price paid to commercial companies by rural electric systems decreased only 17 percent, from .93 cents per kwh in 1950 to .77 cents in 1962. These rates do not, in my opinion reflect the actual advances in technology and volume that have taken place in the industry. REA borrowers are legitimately concerned because power supply comprises 43 percent of their cost of providing service.

The increase in sales of electric energy has been accompanied by a strong pattern of opposition to REA and its borrowers on the part of many power companies. It seems to me that the power companies should recognize the great potential of the rural electric cooperative market and actively encourage it. The larger the consumption of power by REA borrowers, the greater the opportunity for profits by the power companies. The obvious conclusion from the standpoints of both the buyer and seller of power is that the commercial suppliers, instead of fighting the rural cooperatives, would do far better working with and helping the cooperatives develop their rural market.

Norman M. Clapp
Administrator, REA

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Administrator

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PLANNING AHEAD PROMOTES BETTER MEMBER SERVICES

Planning the program for a cooperative's member service department is the key to success, because of the broad and sometimes intangible nature of this type of activity.

Two plans for 1963, recently received by REA, can be considered as models of their type. One was drawn up by an electric borrower in Virginia, the other by a borrower in Kentucky.

Each gives concrete objectives under various categories, lists expected increases in revenue and kwh sales, and describes in detail the methods by which these goals will be reached.

One work plan gives budgets for each phase of the department's work. The other, while listing costs, leaves budgetary allocations open, urging only that a fixed percentage of the previous year's revenues be allotted for the work of the division.

The Mecklenburg Electric Cooperative, Chase City, Virginia, with about 15,000 consumers and 76 employees, proposes to invest \$60,000 in 1963. Of this amount about \$5,000 will be used on "member and public relations." Objectives include a 20 percent increase in attendance at annual meetings, 10 percent fewer complaints from members, and 300 fewer delinquent payers. Methods for reaching these goals include running six advertisements in eight local weeklies during the year, presenting rural electrification programs to nine civic clubs, sponsoring almost 2,000 one-minute spot advertisements over six local radio stations, cooperating in the NRECA national advertising program, and holding at least one Minuteman meeting.

Objectives under "member education" include contacting all co-op members personally, preparing educational

material for them, training 500 young people, and keeping all employees better informed. Some of the ways in which this will be accomplished, at a cost of another \$5,000, are: publishing seven issues of the co-op's newsletter; preparing exhibits for the annual meeting; working with agriculture classes, home economics classes, and 4-H clubs in the six counties served; sponsoring trips for youngsters to the Virginia statewide meeting and the State 4-H Electric Congress; and demonstrations to promote the safe, efficient, and economical use of electricity.

The amount of \$500 will be used on rural areas development. Projects include a study of the area to determine its economic potential, helping to prepare a brochure to attract new industry and commerce, encouraging participation of employees in community organizations directed toward economic development, and preparing plans for rural housing, including electric heat.

Power Use Stressed

The plan provides for \$23,500 to be invested in power use promotion. The goal is a 12 percent increase in annual kwh sales. (Mecklenburg Electric sold 50.4 million kwh in 1961.) The main instrument will be conducting demonstrations of both home and farm equipment, according to a calendar schedule. Kitchen appliances were heavily stressed during February, March, and April by means of six demonstration meetings with members, 50 home calls, radio and newspaper advertisements, three open houses or tours emphasizing electric kitchens, 80 dealer contacts, one dealer supper meeting, and work with high school home economics departments.

During April, May, and June, the sale of electric power pumps and water heaters was emphasized, with advertisements, incentives, consumer financing, and calls on dealers as the main tools.

During June, July, and August, sales of central air conditioners, room conditioners, dehumidifiers, and freezers would be similarly promoted. Feature articles in specified issues of the newsletter will help promote the sales of electric portable appliances during May, June, November, and December. October and November will be devoted to promoting the sale of clothes dryers, automatic washers, and washer-dryer units. In every case, incentive payments, the number of units to be sold, and the expected annual increases in kwh and revenue are listed.

During "electric heating" promotion months—from January through March, and from July through October—the budget calls for incentive payments totaling \$6,400, plus funds to pay for meetings with contractors and employees, a contractor supper meeting, three open houses, advertisements in eight local papers, etc. One goal is to increase the number of Gold Medallion homes from 25 to 150.

The aim during March, August, and September is to increase by 250 the co-op's 100-amp services and by 50 the number of its 200-amp services. This will be accomplished in part by meeting with electric wiring contractors.

Thirty demonstration meetings, 80 calls on lighting dealers, 10 lamp workshops, free light bulbs for empty sockets, open houses, and advertisements are scheduled to promote better lighting during the months of October, November, and December.

Following the farm promotion calendar and the "electrofarm" ideas popularized by TVA, Mecklenburg Electric will attempt during 1963 to promote the installation of 25 farm shops, 15

crop conditioners, 50 farrowing house pens, and other farm equipment.

The program is expected to increase annual revenues by over \$57,000.

Shelby RECC's Plan

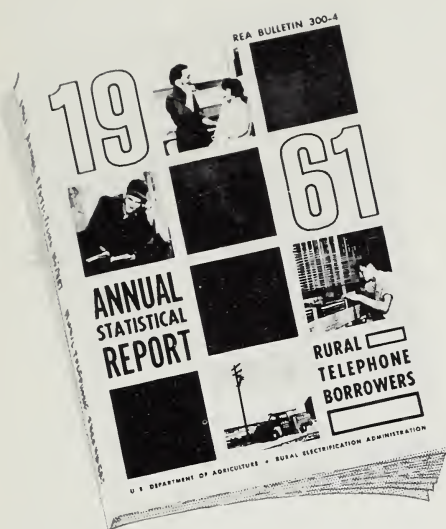
Almost equally detailed is the 1963 work plan prepared by the member services department of Shelby Rural Electric Cooperative Corporation at Shelbyville, Kentucky.

The program is designed "not only to build load but also to keep members, employees, and the general public informed as to our philosophy, our services, and our future plans."

This work plan, too, gives concrete goals under such headings as: public relations, member relations, educational activities, youth programs, and power use promotions during designated months. Tools include advertisements in local weeklies; participation in community development programs; exhibits at local fairs; equipment loans to local schools; stories in the statewide publication; subscriptions to the Minuteman bulletin for key personnel; brochures for new members (and, for the first time, personal visits to them); electric project kits and literature to 4-H, FFA, and FHA members; incentive allowances; luncheon or dinner meetings with dealers; billboard and truck posters; educational material and training programs for employees.

A feature of the Shelby program is a controls plan which calls for a review at the end of each promotion period to determine results in terms of appliances installed and degree of dealer participation. The figures are presented periodically to the manager, with recommendations for the future.

Shelby RECC, with 27 employees, expects that this work plan will help materially to increase the number of its consumers, now 4,500, and its sales of power, now 22 million kwh a year.



How Does Your System Compare?

A new REA Bulletin—*1961 Annual Statistical Report of REA Rural Telephone Borrowers*—provides a valuable new way for every president, director or manager of a telephone borrower to compare his system with other borrowers.

For the first time, Bulletin 300-4 contains financial statistics of *individual* telephone systems. Based on figures supplied by 735 borrowers for the calendar year 1961, it also includes tables showing the median and middle range ratios of revenue and expense items, expressed in dollars and cents per subscriber.

The bulletin discloses an improvement in operating results by REA telephone borrowers. Increases in revenue have outpaced increases in operating deductions, and as a result net operating incomes or margins have steadily grown each year. Average operating revenues per subscriber have increased from \$76.83 in 1958 to \$91.02 in 1961—or nearly 18.6 percent in three years. At the same time, operating deductions have gone up from \$67.11 to \$75.37—or 12.3 percent.

A condensed version of Table IIIA in the bulletin shows these results:

REA TELEPHONE BORROWERS
U.S. AVERAGES — PER SUBSCRIBER

	1958	1959	1960	1961
1. Operating Revenues	\$76.83	\$81.52	\$86.56	\$91.02
2. Operating Deductions	67.11	69.39	72.87	75.37
3. Net Operating Income or Margin	\$ 9.72	\$12.13	\$13.69	\$15.65
4. Other Income or Deductions (Net)	.11	(.01)	.17	.23
5. Available for Fixed Charges	\$ 9.83	\$12.12	\$13.86	\$15.88
6. Total Fixed Charges	7.90	8.45	8.65	9.14
7. Net Income or Margin	\$ 1.93	\$ 3.67	\$ 5.21	\$ 6.74

Naturally you are interested in how your system is operating in relation to these national averages. Here is a method for making such a comparison. First, you turn to the section of the book following Table XXV and, in the alphabetical listing by States, you find the column that lists the figures for your own system. Items are numbered from 1 to 95.

Then draw up the following chart:

	1959	1960	1961
A. Operating revenue	\$.....	\$.....	\$.....
B. Operating deductions
C. Net income or margin

Fill in the items for A from lines 87 to 89; for B, from lines 90 to 92; for C, from lines 93 to 95.

By comparing your entries with figures 1, 2, and 7 in the first table, you can see how your system compares with the national average.

But there is another method. So far this story has referred only to arithmetical averages, obtained by adding the figures for all borrowers and dividing the total by the number of subscribers. A more significant type of average is the median. This is based on the concept that, for each revenue and expense item, one-half of the reporting borrowers would have dollars per subscriber in excess of the median, and one-half would have dollars per subscriber less than the median. Medians are obtained independently for each item, and, unlike arithmetical averages, do not necessarily add to totals or subtotals.

By using the median tables in Bulletin 300-4, it is possible to compare your system's performance with the national, regional and State medians for REA borrowers. The following table will assist you:

REA Telephone Borrowers—PER SUBSCRIBER COMPARISON—1961

REVENUES	U.S. MEDIAN (Table IV)	REGIONAL MEDIAN (Table XXV)	STATE MEDIAN (Table XXIV)	LINE	YOUR SYSTEM Amount Per Sub- scriber
Total operating revenues:	\$81.80	.....	.....	36	.....
Local service revenues:	56.16	.....	.....	37	.....
Toll service revenues:	23.19	.....	.....	38	.....
Misc. operating revenues:	2.39	.....	.....	39	.....
Uncollectible oper. revenues:	.34	.....	.....	40	.....

EXPENSES

Total operating deductions:	\$67.57		41	
Maintenance expenses:	14.95		42	
Traffic expenses:	2.05		43	
Commercial and general office salaries & expense:	13.87		44+45	
Other oper. expenses:	6.60		46	
Taxes:	6.08		48	
Depr. and amortization:	21.56		47	
Net oper. income or margin	14.17		49	
Other income (net)	—		50	
Fixed charges*	9.04		55	
Net income or margin	5.34		56	

*Primarily interest on long-term debt.

In the column called "Your System — Amount," you put down, of course, the relevant data for your system set forth in the bulletin. Then enter the average per subscriber for each item in the column, "Your System — Per Subscriber." The per-subscriber averages may be computed by dividing each item of revenue or expense by the average number of subscribers during the year, by adding items 81 and 82 and dividing by two.

You can fill in the data for the items for your State and region by turning to Tables (not pages) XXIV and XXV.

You now have a basis for comparing your system's operations with those of other borrowers in the Nation, your region, and your State.

You can also use Table XXV to compare your operations with those of systems of similar size in terms of number of subscribers.

A quite simple method of making a comparison is to scan the bulletin, find other borrowers (in the tabulations of individual systems) which have a similar plant investment and number of subscribers, and make a line by line comparison of operating results.

These are only a few of the ways in which you can make use of the statistics presented in the *1961 Annual Statistical Report of Rural Telephone Borrowers*. One thing is certain. Used intelligently, it can be a valuable tool for locating those phases of your operations where, based on the experience of other telephone systems, improvements may be possible.



Recreation Spurs Growth of Texas Telephone Borrower

One of the major goals of the Department of Agriculture, and of all individuals and groups interested in promoting a more prosperous rural America, is to develop more of the outdoor recreation which Americans want and are willing to pay for.

The growth around Lake Tawakoni in northeast Texas is a striking illustration of the economic benefits to be derived from such developments. The largest lake in Texas, it abounds in bass, white perch, crappie and channel catfish. A two-mile bridge spans the lake.

A few statistics indicate the effects that this development promises to have on the telephone company which serves 90 percent of the shoreline.

It took 16 years and a half-dozen acquisitions for the Quinlan Telephone Company, at Point, Texas, 65 miles northeast of Dallas, to grow from 18 subscribers to 99.

It took another 7 years for it to reach the 2,000 mark.

But it should take only 5 years more for it to double that figure.

By that time there will be thousands of retired people and fishing enthusiasts making their homes on the shores of Lake Tawakoni. The development of Lake Tawakoni should have an equal amount of impact upon another REA borrower which serves the lake, the Farmers Electric Cooperative, at Greenville, Texas.

This kind of growth provides ample reason why REA telephone borrowers should exert every effort to develop

recreational resources in the territory they serve.

Lake Tawakoni was formed at the confluence of the Caddo and Sabine Rivers in order to meet the water needs of Dallas. Forty-one firms are engaged in selling lots on the extensive shoreline; they talk confidently of building a total of 10,000 housing units within the next decade. Hundreds of homes and the first motel are already under construction.

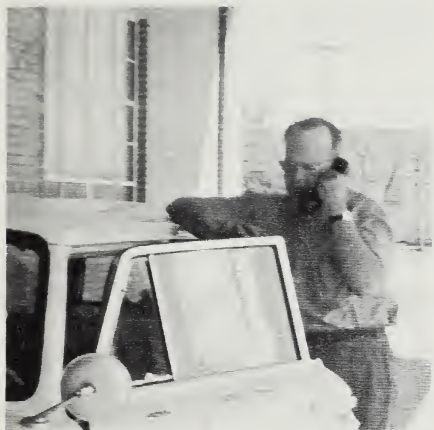
The immediate problem for Dee Cole, president and manager of Quinlan Telephone, is to determine where and when to install cable. To do this, he has to decide how much growth will take place, and where; how much telephone service will be needed; and where to establish the four new exchanges that will be required.

It is a problem that no one can help him solve, but it is not likely to faze him. Even before he purchased his first exchange (at Quinlan, Texas) from Southwestern Bell in 1940, he had had a lengthy experience in communications behind him. It included 13 years in the communications department of the Texas and Pacific Railway and 10 years as manager of a telephone company. Cole named his first acquisition, located near the place where he was born, the Quinlan Telephone Company.

By 1952 he had purchased the Cash Telephone Company at Cash, Texas (40 magneto telephones), extended his lines to the unserved Greenville Club Lake area, and purchased the Point

and Lone Oak exchanges from Southwestern States Telephone Company. In 1953, with the aid of a loan from a telephone manufacturer, he converted the Quinlan, Lone Oak and Point exchanges to dial.

In 1956 he purchased the Emory and Alba exchanges from Southwestern States Telephone, and promptly cut them over to dial, using REA financing.



Dee Cole, president and manager of Quinlan Telephone Company, uses one of its mobile telephones to handle its fast-growing business.

The following year he put in a new exchange to serve Shirley. In 1960 he acquired the Brashear Telephone Company, a mutual at Brashear which had 52 magneto stations. Additional REA loans enabled him to cut it over to dial and add new stations. By March 1, 1963, he had 2,037 subscribers. Average number of subscribers per mile, even after construction provided for by present loans is completed, will be 3.75.

The Cole family, sole owners of the Quinlan Telephone Company, have a strong tradition of telephone and public service. Dee Cole is president of the Lake Tawakoni Association, which is helping to coordinate development

of the lake area, establish safety standards for boating, and the like. He is a member of the Chamber of Commerce, the Lions, a past president of the Texas chapter of the Pioneer Telephone Association, and a director of the Texas Telephone Association. His son, James D., 24, is vice-president of the telephone company. Mrs. Dee Cole is secretary-treasurer, and works in the office as chief cashier. Her sister, Mrs. Inez Hughes, is second vice-president, and works as a billing clerk. A younger son, Thomas Cole, 23, is plant superintendent. Total number of employees is 13.

Lake Tawakoni

Where once was a marshy river bottom, covered with scrub oak, grazed by a handful of cattle, and dotted with a few small farms stands today a vast new recreational resource.

It is Lake Tawakoni, which occupies some 36,700 acres and has more than 200 miles of shoreline.

This summer, the City of Dallas will take its first water from the lake, thereby relieving the city's critical water situation. Today's 303 billion gallon water reservoir that is Lake Tawakoni will supply Dallas with 160 million gallons of water daily.

Preliminary work for this reservoir began in 1953. Beginning that year, a Dallas water survey committee studied population and water trends, investigated possible sources of water supply, and decided that the Sabine River held the answer for Dallas' immediate water source.

Agreement with the Sabine River Authority—established by the Legislature in 1949—was reached in 1956 and work on the lake was started.

Under the agreement, the City of Dallas financed the project and retains 80 percent of the water for its own use, with the Sabine River Authority reserving the right to 20 per-

cent of the water for use by surrounding communities.

In October 1960, the \$16.7 million Iron Bridge dam was completed and the lake began to form. Today, Lake Tawakoni is 85 percent filled and 91 percent of the land area is covered by water.

The City of Dallas has built 33 miles of 72-inch pipe to handle the water from the lake to its East Dallas purification and distribution plant. The water is pumped over half that distance to the city's balancing reservoir near Terrell from which the natural force of gravity brings it to Dallas.

Lake Tawakoni has made itself felt in many other ways in the three-county area it occupies.

The town of Point has authorized a new water treatment plant pipeline, and distribution system. Previously, the town depended on rain water stored in cisterns, wells, or "hailed" water. A bank in Point proudly advertises that it is "best bank by a dam site," with deposits and loans quadrupling since work on the lake was started.

Other towns feeling the effects of the lake include Emory, Lone Oak, Quitman and Wills Point. Officials who once frowned at the loss of tax revenues on the bottom land are now happy at the property tax revenue from home sites and cabins that surround the lake.

The growth of the area is remarkable. Already there are some 1,900 pleasure boats licensed for operation on the lake. About 1,730 of the 4,010 lots laid out have been sold; some 350 homes and cottages have been built ranging in value up to \$35,000.

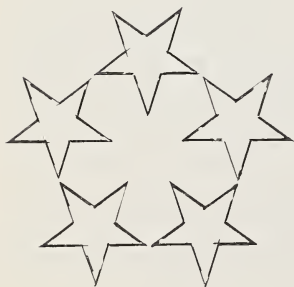
The Texas Fish and Game Commission stocked the Lake in bass, crappie and channel catfish.

The State Highway Department constructed more than 75 miles of new and resurfaced roads within the environs of the lake, while the Authority and counties have built more than 35 miles of new highways.

Five strategically located concrete launching ramps for the public have been constructed, with more to come. Lake Tawakoni is the first lake in the State to have definite water ski areas established. These areas are taboo to fishermen and motor boats, with the exception of tow boats; skiing outside the areas is not permitted.

The Sabine River Authority maintains two speed boats for patrol duty 24-hours a day and a larger operations boat for rescue and other type work. An intricate system of navigational aids as well as warning flags and lights is maintained by the Authority.

Three 50-acre park sites are now under study by the Authority. They will contain picnic tables, barbecue grills, rest rooms, and launching sites.



NEXT MONTH . . .

REA's new Five-Star Member Service Program, a fresh approach to an old problem, will be covered in full. The program seeks to develop the full potential of benefits that can flow to your consumers because they are cooperative members.

REA Makes First Loan for Educational Television

A telephone loan approved last March by REA holds unusual interest.

It represents the first made to provide closed circuit educational television in rural areas.

The loan of \$123,000—to the St. Mathews Telephone Company, an independent system in St. Mathews, South Carolina—will finance the construction of coaxial cable and related facilities needed to furnish ETV to four high schools in the borrower's service area. Television will assist more than 800 students in studying algebra, geometry, French, science, electronics, art, and State history; other subjects will be added later. Programs originate in Columbia, South Carolina, 37 miles away.

The loan was made possible by an amendment to the Rural Electrification Act. Passed by Congress in October

1962, it permits REA to finance communication facilities for the transmission of sound, signals, pictures, writings and signs, as well as for voice communication. It enables REA to furnish financial help needed by its borrowers in providing services that telephone organizations are normally expected to supply.

The ETV program in South Carolina, initiated by the State Legislature, contemplates installations in every elementary and secondary school in the State in the next several years.

The State ETV Commission, Southern Bell Telephone and Telegraph Company, and the State independent telephone companies and cooperatives have agreed that the Bell Company will furnish the backbone plant and the local systems will provide the tie-in plant facilities needed in each franchised area.

The Deadly Playhouse

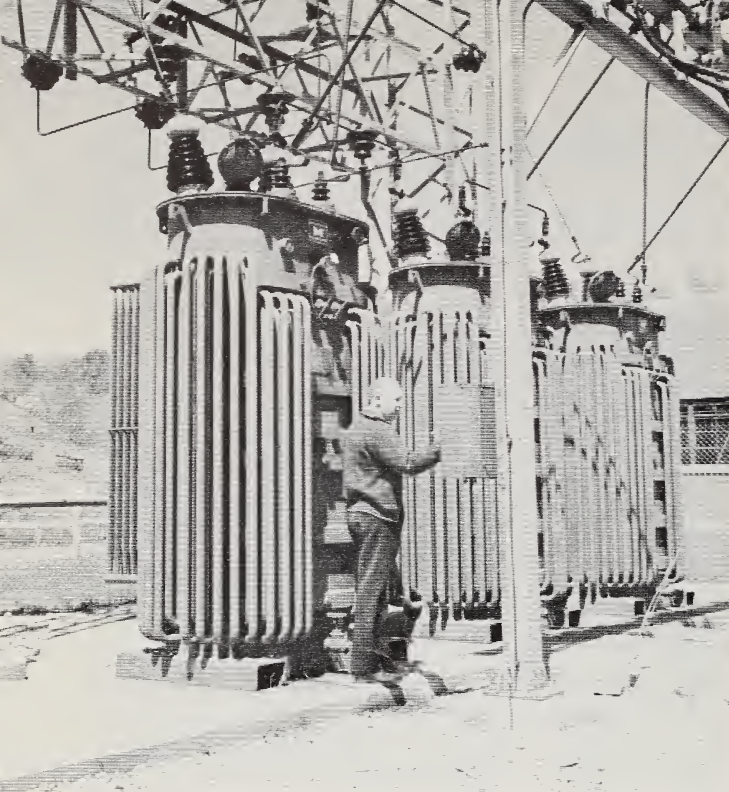
Thirty-five children crawled into refrigerators and died there last year, making the 1962 death toll from such accidents the worst on record.

Not since 1953, when 30 died, have so many children suffocated in this manner. In 1961, 25 died; in 1960, only 6.

"As more people buy new refrigerators and discard old ones," says Philip Dykstra, head of the home safety department of the National Safety Council, "the hazard grows. Unless something is done, even more children could die in refrigerators this year than last."

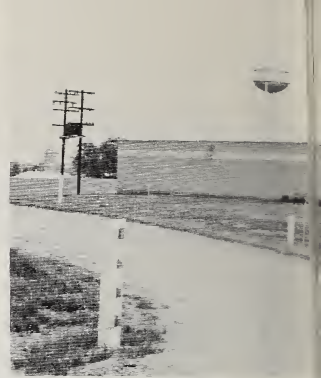
The danger season begins in March, continues through April and May, hits its peak in June, and is still crucial in July, August, and September. Three times out of four the victims are 3 to 6 years old; boys are two and a half times as likely to be trapped as girls.

REA borrowers can help reduce the number of these tragedies by practicing and publicizing precautions to render discarded refrigerators harmless.



"Red" Stallings, of Blue Ridge EMC, Lenoir, safety-checks sub-station serving an electronics firm near West Jefferson.

The availability of central station electric power has contributed to overall living standards of farmers in the area. Lonnie Williams of Mocksville, is greeted by his grandchildren as he rides his tractor from the fields.



An industrial park containing an electronics firm near Mocksville.

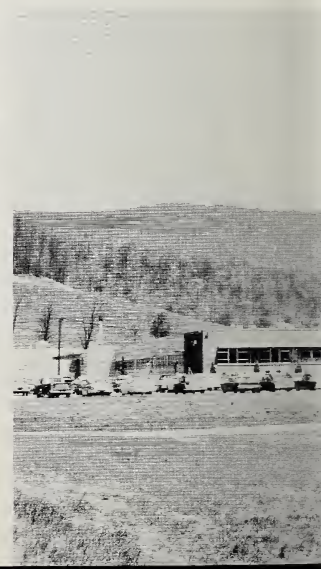
CO-OP POWER IN RURAL N

Against a background of streams, western North Carolina rural areas served by co-

The area is dotted with tobacco, strawberries, poultry by the availability of electricity, roads and an eager labor force for four or five homes of people who have returned to the region is a growing attraction.

Civic and cooperative leaders continue, thus emphasizing the electrification at low cost.

This knitting mill, served by electric power, is a stimulus to the economy of the



the manufacturing plants is served

PURS PROGRESS TH CAROLINA

g hills, deep valleys, and sparkling
dramatizes the changes taking place
ve electric power.

ern farms specializing in dairying,
cattle. Industry has been attracted
good climate, pure water, better
any a farm has become the location
who commute to a nearby factory,
family homestead to retire. Recrea-

es expect these developments to con-
for adequate and reliable rural

ge Ridge EMC, Lenoir, is a major



The Tweetsie Railroad moves into the station near Blowing Rock. All electric power for this outstanding tourist attraction is furnished by Blue Ridge EMC.

George Harrison operates feeding machinery at his dairy farm. Power is supplied by Surry-Yadkin EMC, Dobson.



Co-op League Stresses Communications Media

The Cooperative League of the USA is stepping up its program for making cooperatives and cooperative concepts better known to the American public.

Opening gun in the new campaign is a 14-minute film with the arresting title of *Strawberries—with Cream*. It may be purchased or rented by cooperatives, and is cleared for television.

It shows, in broad terms, how various types of cooperatives have developed from man's determination to live better and his genius for working together to meet his own needs.

The efficiency of democratically owned rural electric cooperatives is one feature of the film.

Strawberries—with Cream, together with books, booklets and leaflets covering many phases of cooperatives, is available from the League's Chicago office at 59 East Van Buren Street.

Surprisingly enough, two full-length books are currently among the items in greatest demand. One is *American Cooperatives*, written by the League's

executive secretary, Jerry Voorhis. It provides an insider's view of the development of cooperatives in the United States and comments on what they promise for generations to come.

The second is board member Murray D. Lincoln's *Vice-President in Charge of Revolution*, which suggests that professional "needlers" spur boards and others to swifter progress.

A booklet, "Cooperatives USA, 1961-62," has the latest available figures on membership and activities.

Other booklets deal with public relations, publishing a newsletter, co-op management, taxes, and other subjects.

Most popular leaflets include "What is a Co-op"; "Welcome New Members;" "They All Endorse Cooperatives," quoting the President and other officials; and "The Important Fact About a Co-op." This one has been produced in many different languages.

"What's New in Cooperative Information," a bi-monthly roundup of these materials is available on request.

A scene from the League's new movie, Strawberries — with Cream.



Central Station Electricity Comes to Lonely Elk Lake



*South Sister Peak from the south end
of Elk Lake.*

There are still places in this country waiting for central-station electric power.

Elk Lake Lodge, built at the edge of the beautiful lake in central Oregon from which it derives its name, is one of these places. But it won't be much longer.

Jointly owned and operated by Norman and Dorothy Symons and John and Myra Edwards, the lodge is actually a small town during the summer months. There are 26 housekeeping cabins in addition to the main building with its guest rooms, restaurant and store. And through the pines, you can spot some of the 34 summer homes rimming this azure-blue mountain lake.

From the lodge porch, you seem to be directly under the eyebrow of white-topped Mt. Bachelor, a well-known ski slope. At your left is snagged Broken Top and one of those famous Cascade ladies, 10,500 foot South Sister.

Today, Elk Lake Lodge gets its "juice" from a 15-kilowatt generator housed in a shed back of the main building, powered by a big gasoline motor. It works—Mr. Symons turns it on at 7 in the morning and off at 10 at night.

For the past several years, the Symons and Edwards couples have been talking with the directors and manager George Larimer of Midstate Electric Cooperative at LaPine, Oregon, hoping to work out a deal to extend the co-op lines into this rugged recreation and forest area.

Until recently there was not enough guaranteed load along the proposed line extension to warrant Midstate's investment, but now there are sufficient signatures on the dotted line for the co-op to plan 26 miles of distribution system to reach Elk Lake Lodge, most of the 34 summer homes, plus another large resort on nearby Cultus Lake and several Forest Service maintenance

camps along the way. In addition, the availability of dependable electric power should promote the building of more summer homes and cottages along the route of the new line.

Last April REA approved a loan of \$452,000 to Midstate Electric. Part of this loan will be used to bring central-station power to Elk Lake. Manager Larimer hopes to have this area electrified by the end of the summer.

While the prospective new consumers won't do much to raise the cooperative's present number of consumers per mile—it stands now at 1.8—the cooperative gets along all right, thanks to the fact that its 12.5 million kwh sold annually are divided rather evenly between residential, small industrial and commercial, large industrial and commercial and irrigation consumers.

All told the loan will finance construction of 99 miles of distribution line to serve 422 new consumers.

If a lodge already has a power plant, why does Norman Symons want

a power line? "Simple," he says. "We're expanding, we need more electric power. We need a walk-in cooler. We want to put electric water heaters and ranges in our cabins, we want to use electricity 24 hours a day, we want to build more cabins."

If Elk Lake had been unable to get power from the co-op, Mr. Symons planned to purchase a 100-kilowatt generator. He said "It costs a lot of money, and we'd just as soon spend it with the cooperative and not have to worry about keeping a plant running." He grinned at George Larimer as he said, "We don't want to bother with the power business—let George do it!"

And the Georges of this country *are* doing it. Through their local REA-financed electric cooperatives, isolated "Elk Lakes" all over the country are discovering the conveniences and prosperity brought to them by central-station electric power.

Telephone Borrower Wins Safety Award



More than 75,000 man hours of safety in the past 3 years won first place in a national safety contest for Logan County Rural Telephone Cooperative Corporation, REA borrower at Auburn, Kentucky. Manager Grover Corum, surrounded by staff, holds plaque for winning in communications division, utilities section, of contest run by National Safety Council.

Combating Underground Corrosion Problems

REA will soon issue a revised bulletin (Bulletin 161-23) to assist electric borrowers in combating underground corrosion problems on their systems.

It recommends that all new ground rod installations and replacements be made with galvanized steel rods. It also recommends that galvanized anchors, now available at a slight additional cost, be used.

The bulletin explains that, aside from such external causes as pipeline protection systems, there are two major causes of underground corrosion on rural electric distribution systems.

One is the galvanic action that takes place between the copper ground rod and steel anchor (primarily anchor rod). This is avoided by using galvanized steel ground rods.

The second cause is the localized galvanic action that takes place between the galvanized anchor rod and the anchor. The ungalvanized anchor causes increased corrosion of the anchor rod. This condition is avoided by the use of galvanized anchors.

Experience has shown that galvanized steel anchor rods and ground rods in soil are very long-lived if corrosion from these two sources is adequately controlled. Furthermore, practical measures are available for keeping this corrosion under control at a reasonable cost.

Some steps for relieving corrosion can be taken without special surveys or detailed study. However, the bulletin warns against starting corrosion control programs without first making a survey. The kind of survey needed depends on the severity of the cor-

rosion and its prevalence throughout the system.

The condition of anchor rods removed during routine line changes often gives valuable information about locations where corrosion may be serious enough to deserve attention.

By measuring the amount of current flowing from the anchor to the copper ground rods, guy current readings indicate the rate of this type of galvanic corrosion. Such readings also give clues about corrosion between anchor and galvanized anchor rod since the rate of this localized corrosion is often proportional to the amount that exists between anchor and copper ground rod.

When it is determined that a corrosion problem exists which requires correction, the use of zinc anodes is often an economical remedy. The anodes are buried in the earth and connected to the system neutral. Their size and location are determined by measurement of earth resistivity, or from information on the rate of corrosion obtained from guy current measurements and observed anchor rod damage.

The use of galvanized steel ground rods reduces the rate of anchor rod corrosion. This rate is affected by the proportion of copper to steel and, owing to the copper polarization effect, a small reduction in the copper to steel ratio may help matters considerably.

The bulletin warns against the use of guy strain insulators, pointing out that this practice tends merely to transfer the corrosion damage to adjacent locations and to increase the amount of damage at these locations.



Variety Marks Co-op Work with Youth

Throughout the Nation, rural electric cooperatives are working with farm youth groups to achieve mutual goals—training young people in the skillful and wise use of electrical power.

The variety of ways REA borrowers help members of these organizations in their electrical projects is almost endless. Most of this work is conducted with members of the two largest groups, 4-H Clubs and Future Farmers of America.

The 4-H organization has more than 94,700 local clubs and a membership of over 2 million boys and girls aged 10 to 19.

The Future Farmers of America limits its membership to boys aged 14 to 21 who are taking vocational agriculture courses. About 380,000 FFA members are enrolled in 9,000 high school chapters throughout the 50 states and Puerto Rico.

Some REA-financed cooperatives donate electrical equipment to these youth groups.

Others provide instructors for courses in electricity.

Still others sponsor contests where prizes of electrical appliances or cash are offered for the best entries, send individuals to State and national meetings of their organization, or pay their expenses at a summer camp.

Winnebago Rural Electric Cooperative Association at Thompson, Iowa, regularly purchases prize animals exhibited at county fairs by local 4-H and FFA members.

In Illinois, the Adams County Electric Cooperative of Camp Point offers

a three-part program of instruction to local 4-H'ers.

First year enrollees work on extension cords, test lamps, and learn some fundamentals of electricity. Second year students wire single pole switches, build test panels, and study motors. An advanced group, under the direction of a co-op employee, wired the new 4-H building at the Adams County Fairgrounds last year.

Morgan County REMC of Martinsville, Indiana, sees to it that 4-H members from their area are "well-suited" when they attend statewide conferences. The co-op presented official 4-H jackets to members from a four-county area who attended a Round-up at Purdue University last summer.

Free Summer Camp

The Vermont Electric Cooperative of Johnson, Vt., offers awards to local club members which entitle them to go to a summer 4-H camp as guests of the cooperative. Entire costs for one member from each of the 11 districts it serves are paid by Vermont Electric.

Electric co-ops in Florida provided \$1,500 for awards and training in the electrical field to more than 4,700 4-H boys and girls last year. Although electricity is only one of the 30 projects offered by 4-H, it is probably the fastest growing from an enrollment standpoint. In 1956, only 1,600 4-H'ers in Florida carried electric projects.

The Florida Electric Cooperative Association gives State awards and sponsors electric clinics each summer, and nearly all rural power suppliers pro-

vide electric materials to counties for this work.

Salt River Rural Electric Cooperative at Bardstown, Ky., trains 4-H leaders so they in turn can help train some of the 10,000 students working on electric projects in that state. Electricity has been one of the most popular 4-H Club activities in Kentucky, representing 12 percent of all club projects.

White River Valley Electric Cooperative, Branson, Missouri, conducts a well-organized contest for 4-H members in its area. Contestants must use electricity in their project; learn its fundamentals; demonstrate how to use it efficiently; show individual accomplishment in the subject; and write an essay of not more than 500 words entitled "What Rural Electrification Means to Me."

Two winners, a boy and a girl, are selected from each of the five counties in which the cooperative operates. Winners receive a Certificate of Award and a study lamp.

Co-op Hosts Grand Finale

County winners compete with each other for grand awards by giving demonstrations of their work at the offices of the cooperative. A boy and a girl



The Newburg Beavers 4-H Club of St. Ansgar, Iowa, bag and sell electric bulbs at bargain prices. Bulbs and bags are supplied by Cedar Valley Electric Corporate, also of St. Ansgar.

from this group are then selected to be grand prize winners. Each receives an electric alarm clock which has engraved on a plaque mounted on top, his name and a description of the contest.

"Bags of Bulbs" programs have netted money for 4-H clubs in many communities while giving a push to better electric living. 4-H clubs in the area served by Cass County Electric Cooperative, Kindred, N. D., raised over \$1,400 to build a swimming pool by selling plastic bags filled with light bulbs.

Similar activities are carried out with FFA chapters.

Staff members of Sumpter Electric Cooperative of Sumpterville, Fla., conduct a class in basic electricity for FFA members at a local high school. Subjects covered are electrical terms and laws, schematic drawings, metering devices, and demonstrations.

FFA electrical training courses pay off in many ways. An outstanding FFA group in the area served by Barry Electric Cooperative of Cassville, Mo., constructed a fallout shelter on the grounds of their high school. Wiring for the shelter was installed by the son of a member who was a district FFA winner.

Awards are a two-way street in the FFA. In Texas, for example, manager Fain McDougal of the Dewitt County Electric Cooperative, at Cuero, was awarded an honorary Lone Star Farmer Degree by the local FFA chapter. The award was given because the cooperative furnished its electrification advisor to conduct classes for members in five local high schools.

As an integral part of rural community life, cooperatives are interested in the development of the youth of their areas. At the same time, they are assuring themselves of an enlightened membership for the future.

Cooperatives . . .

A Force in Rural Communities

*by Earl Morgan, Staff Assistant,
Grand Electric Cooperative, Bison, South Dakota*

People in rural communities have been well known for their neighborliness—their willingness to help each other in harvesting crops or in time of trouble.

This spirit of neighborliness guided them as they began to form marketing, purchasing, and service cooperatives. It took great faith, fortitude, and zeal for early cooperative leaders to build today's strong and effective business organizations from those early beginnings.

I believe these same organizations can bring about a restoration and a rejuvenation of many rural communities. Through these cooperatives, people have learned ways to turn ideas and energies into action—abilities we need in the rural areas development program.

Many leaders of cooperatives have become articulate and able speakers and chairmen of meetings. Many have broadened their visions and abilities by going to State or national cooperative meetings. It is this kind of capability that local communities can use in harnessing their resources for a better community as part of the broad nationwide RAD movement.

Cooperatives have been the proving ground in many areas for intertwining and improving economic interests of town and farm. As farmers get more money from their year's work through buying and selling cooperatively, they

spend it in the home town. As the town businessmen get this money, they put it into circulation.

As the cooperative pays rent or buys land and pays taxes—as it pays utility bills, borrows from local lending institutions, buys equipment, or spends money on any one of dozens of other needed services—these too add money to the community's pocketbook.

As local people find jobs in a co-operative business—in many rural towns the cooperative hires more people than anyone else—their salaries also circulate in the home town. Thus, the framework is already here for all of us to move ahead.

The need for getting new business and new life into our rural communities is urgent if we are to keep the young people with energy and ambition there as tomorrow's leaders.

The opportunity is there—if rural communities can find a way to grasp it. The rural areas development program is one of the ways they can approach this challenging task.

The Department of Agriculture has dedicated itself to the belief that farmers and other rural area people can find the way to better things for themselves. Many institutions are at hand in this Department to give aid when needed and asked for.

Cooperatives are a most important force in this effort.



Mr. and Mrs. Don Ruth of Route 1, Onawa, Iowa, discuss plans for marina with Gene L. Hoffman, Iowa State Director, Farmers Home Administration.

FHA Helps Farmer Launch Marina

An REA electric borrower, boat dealers, automobile appliance stores, and numerous other local enterprises will benefit from the first Government loan made in Iowa to encourage farmers to develop income-producing recreational facilities.

The recipients were Mr. and Mrs. Don Ruth of Route 1, Onawa, who were loaned \$39,370 to complete the development of a marina on the Missouri River near Whiting.

Monona County Rural Electric Cooperative at Onawa, Iowa, expects that the Ruth electrical load will triple, and that it will gain as much more from other businesses stimulated by the new enterprise.

Loan funds were provided by the Onawa State Bank, Onawa, with the Farmers Home Administration insuring repayment in 40 years; the interest rate is 5 percent.

The funds will be used to construct a concrete-block boat house with shop; add an addition to the present Ruth home to provide dining facilities; improve the boat ramp and construct boat slips; install rest rooms in the boat house; expand facilities for handling fishing bait and equipment, gasoline, oil, ice, drinking water, and other boating supplies; improve a camping area including the planting of trees and grass; install picnic tables, cookout facilities and trash receptacles;



George R. Gerking, manager of Monona County Rural Electric Cooperative, Onawa, Iowa, (left), tells FHA State Director Hoffman what the increased load from the Ruth enterprise will mean to his cooperative.

expand parking facilities; and construct a building to contain showers, rest rooms and laundry facilities.

At the point where the Missouri River flows past the Ruth's planned facilities, it is 900 feet wide and 10 to 15 feet deep. Approval of an easement by the Corps of Army Engineers which owns both sides of the river has made it possible for the Ruths to construct a boat basin 200 feet wide and 300 feet long, with the water averaging 10 feet deep. After improvement, the basin will be able to handle 40 small boats at one time: provide an outlet so that boats can get to the river; and furnish a place where boats traveling up and down the river can stop for servicing and supplies.

The Ruths farm 60 acres and, with Don's father, rent another 400 acres.

This type of loan was authorized by the Food and Agriculture Act of 1962 to encourage farmers to buy and

develop land and shift it into recreation, forestry, and grazing uses. These loans help farmers boost their income while providing needed outdoor recreation for the Nation's expanding population.

When Mr. and Mrs. Ruth's property (shown below) is fully developed with the aid of FHA-insured funds, it will be able to handle 40 small boats at one time.



SAVE THAT CLIPPING

Do you have on hand a complete and up-to-date basic data file covering all phases of your operations?

Data—facts—are the life blood of any public relations program. The essential process underlying all public relations effort is the scientific formula of the *collection* of data, the *classification* of data, and the *interpretation* of data. Sometimes this process is simple; at other times it is complex. But data—facts—must be regarded as enduring things. Their value is not impaired simply because you've used them once in one particular combination and connection. Integrated into different combinations to permit other interpretations and in other connections, you may and probably will have need to use precisely these same data, along with new facts, a year from now or ten years from now. How else, for example, can you put together the accurate and chronological story of the growth of your cooperative and a picture of its expanding service?

A basic data file, kept current from day to day, and surprisingly flexible and cumulative in its usefulness, is the best possible fortification for an effective cooperative public relations program. What should go into such a file? Anything and everything that happens to or affects your cooperative. Such a file should become an accurate and detailed source of your co-op's history. It should reflect your cooperative's activities in the community; its relations with its individual members; its relations with other coopera-

tives and the Rural Electrification Administration. And it should reflect all of the details of such problems as power supply, territorial integrity, and the many other considerations which lie close to the heart of electric cooperative operations. In short, it should be a reservoir from which you can draw instantly comprehensive and reliable information to implement any public relations activity, whether it be answering an editor's questions, satisfying the curiosity of a member, explaining your rates, staging a cooperative "Pageant of Progress," or issuing a special report.

Data is Important Asset

The main point is, Don't Waste Data; Don't Waste Facts! They are important assets to your cooperative. Conserve them, and organize them for use. Of course, setting up a *basic data file* from scratch may call for a good bit of time and effort initially, but once you get things under control the demands for its maintenance and growth will be minimal, and you'll find that it will pay its way a hundred times over. If you doubt this, reflect upon the fact that, invariably, when an outstanding public relations firm undertakes to serve a new account, its very first activity is to establish and thereafter maintain a comprehensive Basic Data File reflecting *all* of the activities of the new client, both past and present. Basic Data is a fundamental control as well as a top public relations tool, and its use by cooperatives cannot be too strongly urged.

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OFFICIAL BUSINESS

National Farm Safety Week, 1963

By the President of the United States of America A Proclamation

WHEREAS hundreds of thousands of rural volunteer leaders and 4-H Club members actively participate in organized farm, home, and highway safety programs; and

WHEREAS these community, State, and national safety programs have proved effective in reducing the number and rate of accidents among farm people; and

WHEREAS accidents nevertheless continue to kill or disable nearly a million farm residents annually, and cause needless suffering and economic waste to both the agricultural community and the Nation; and

WHEREAS increased emphasis on the safety and productive efficiency of farm families is vital to assure a continuing abundance of food and fiber for the well-being of all Americans:

NOW, THEREFORE, I, JOHN F. KENNEDY, President of the United States of America, do hereby call on the people of the Nation to observe the week beginning July 21, 1963, as National Farm Safety Week; and I urge all farm families, and all persons and organizations allied with agriculture, to engage in a purposeful, united effort to reduce further the number of farm, home, and highway accidents.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this fourteenth day of February in the year of our Lord nineteen hundred and sixty-three,
[SEAL] and of the Independence of the United States of America the one hundred and eighty-seventh.

JOHN F. KENNEDY